



Mission •
To prevent and cure diabetes
and to improve the lives of all
people affected by diabetes.

Cure • Care • CommitmentSM

June 24, 2005

The Honorable John Shadegg
306 Cannon House Office Building
Washington, DC 20515

Dear Congressman Shadegg:

On behalf of the 18.2 million Americans with diabetes, the American Diabetes Association would like to express its concerns regarding the Health Care Choice Act (H.R. 2355). The Association appreciates your intent of offering consumers greater choice in health plans, but we are concerned with the impact this legislation would have on people with diabetes who are currently covered or seeking coverage under state-regulated health plans.

H.R. 2355 would allow companies to sell policies across the country while based in states with the least amount of safety regulations and consumer protections. For individuals with diabetes, this could be particularly damaging. Currently 46 states require that state-regulated health plans cover necessary diabetes supplies, education, and equipment. In these states, this was accomplished with the bipartisan support of legislatures, governors, and state insurance commissioners.

However, under H.R. 2355, insurers could choose to be licensed in one of the 4 states where such requirements do not exist. This reduction and/or elimination of coverage for necessary diabetes medical tools will lead directly to poor disease management, thus resulting in a significant rise in hospitalizations and prohibitively expensive diabetes-related complications such as blindness, heart disease, stroke, kidney failure, and amputations. By removing the protections currently available to the majority of privately insured Americans, H.R. 2355 will cause a significant increase in diabetes complications. We are deeply concerned about the immense burden this will cause on the nation's already strapped healthcare system.

The Association is also concerned that by permitting insurers to be licensed in only one state, H.R. 2355 could cause the end of guaranteed-issue individual health insurance policies. Many people with diabetes rely on this type of policy when employers do not offer health insurance coverage, or when they are self-employed. Under these policies, consumers can currently never be turned down for health insurance coverage because of their health status. However, insurers in states without these types of provisions can and usually do deny coverage to individuals with diabetes because of their pre-existing condition. States like New York, New Jersey, Massachusetts, Vermont, and Maine, who currently require all health insurance products sold in the state to be guaranteed issue, would likely see insurers leave their states for ones with fewer regulations.

At a time when the diabetes epidemic is worsening and the associated costs of complications are rising, it is unwise to allow health insurers to evade laws that guarantee certain health benefits for all Americans. We are concerned that H.R. 2355 will expand costs instead of decreasing them. Furthermore, at the individual level, the loss of health insurance protections for people with diabetes will lead to more expensive crisis management rather than cost effective preventive management.

In closing, the Association believes that it is reasonable to expect that all forms of health insurance cover the medical needs that a person with diabetes requires to survive. We share your commitment to expanding access to health insurance, and we stand ready to work with you on solutions that will benefit all Americans, including the tens of millions with and at-risk for diabetes. Should you have any questions or need further information, please contact Angie Montes, Manager of Federal Government Affairs at (703) 299-2087.

Sincerely,

A handwritten signature in dark ink, appearing to read "James P. Schlicht". The signature is fluid and cursive, with the first name "James" being the most prominent part.

James P. Schlicht
Chief Government Affairs & Advocacy Officer